



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Renewal of Workers Compensation Claim Administration contract with Greenfield-Thompson Associates

MEETING DATE: November 6, 1991

PREPARED BY: Assistant City Manager

RECOMMENDED ACTION: That Council approve the renewal of the contract with Greenfield Thompson Associates which includes an 8% fee increase.

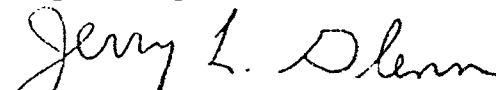
BACKGROUND INFORMATION: Greenfield-Thompson Associates (GTA) began service as the City's Workers Compensation third party administrator in November, 1990. The process of transferring files and electronic data as well as getting new procedures on line has not been easy. However, an excellent communication flow and working relationship has developed between GTA and the City.

In January, 1991, workers compensation "reforms" were introduced in California. These "reforms" have served primarily to add more deadlines and bureaucratic hoops to an already complex and expensive system. The primary beneficiaries of this system have been physicians and attorneys.

The current pricing for claims administration services expires on November 1, 1991. In response to the added complexities and increased claims activity created by the 1989 Reform Act and AB 2910, GTA is requesting a 6% increase in its service fee. GTA is also asking for a 2% increase to cover operating expenses and cost of living for employees. This overall 8% increase will raise GTA's monthly fee from \$4,400 per month to \$4,750. The Service Fee agreement is attached for Council's review.

FUNDING: Sufficient monies have been budgeted in the Workers Compensation Insurance Fund to cover the cost of this contract.


Respectfully Submitted,


Jerry L. Glenn
Assistant City Manager

JLG:KJE:tp
Attachment

Prepared by Kirk J. Evans
Administrative Assistant to the City Manager

APPROVED: _____


THOMAS A. PETERSON
City Manager



SERVICE FEES

The fees paid by Employer to Service Company under this agreement are for services rendered by Service Company during the twelve month period beginning November 1, 1991. The Service Company assumes no obligation or responsibility for services beyond an earlier termination date.

CLAIM ADMINISTRATION: A guaranteed flat fee payable in equal monthly installments of \$4,750. due in advance the first of each month beginning November 1991 to administer 125 new or re-open claims and 125 open indemnity claims. New or re-opened claims exceeding 125 and pending open claims exceeding 125 will be administered at a fee per claim of \$370.

SAFETY & HEALTH CONSULTING & INDUSTRIAL HYGIENE SERVICES: The charge for loss control consulting services is an hourly rate of \$41. to \$125., plus expenses. These services will be estimated on a project by project basis with guaranteed costs "not to exceed". The charge for industrial hygiene services is on an "as need" basis hourly, plus expenses.

FIELD INVESTIGATION AND OTHER OUTSIDE SERVICES: The charge for field and investigative services and outside services such as mandatory conference, hearing or trial attendance is \$65. per hour, plus expenses.

SPECIAL OR ADDITIONAL COMPUTER INFORMATION: All reports, data processing, training and services are included in the annual fee. If additional reports, special reports, conversion or special programming or information is needed, costs will be actual as incurred.

GOVERNING LAW

This Agreement shall be interpreted and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment day and year hereinbelow written. All other terms and conditions remain in full force.

THE CITY OF LODI

BY: _____

Thomas A. Peterson

TITLE: City Manager

DATE: _____

amended 10-02-91

ATTEST:

GREENFIELD-THOMPSON ASSOC. INC.

BY: _____

TITLE: _____

DATE: 10-2-91

APPROVED AS TO FORM:

Bob McNatt, City Attorney

Alice M. Reimche, City Clerk